

Monnington Motors Limited

Annual Report

Year Ended 30 September 1996



Monnington Motors Limited

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Contents	Page
Directors' Report	1
Auditors' Report to the Members	2
Profit and Loss Account	3
Balance Sheet	4
Notes and Accounting Policies	5

Monnington Motors Limited

Directors' Report

The directors submit their report and the audited financial statements for the year ended 30 September 1996.

Results

The trading profit for the year after tax was £10,684

Principal Activity

The company's principal activity during the year was vehicle servicing and repairs.

Directors

The directors who served during the year and their interests in the shares of the company throughout were as follows:-

Ordinary Shares

Paul I Monnington	50
Andrew W Monnington	50

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint the auditors, Francis Clark, Chartered Accountants, will be proposed at the annual general meeting.

Advantage is taken in the preparation of the directors' report of the special exemptions applicable to small companies conferred by Part II of Schedule 8 of the Companies Act 1985.

By Order of the Board

A W Monnington
Secretary

Monnington Motors Limited

Auditors' Report to the Members

We have audited the financial statements on pages 3 to 8.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 that are applicable to small companies.

Francis Clark
Chartered Accountants
NEWTON ABBOT

21 January 1997

Francis Clark
Registered Auditors

Monnington Motors Limited

Profit and Loss Account

Year Ended 30 September 1996

	Notes	1996 £	1995 £
Turnover	1(a)	430,959	388,419
Cost of sales		<u>269,201</u>	<u>250,481</u>
Gross profit		161,758	137,938
Administrative expenses		<u>142,628</u>	<u>124,174</u>
		19,130	13,764
Other operating income		<u>186</u>	<u>1,132</u>
		19,316	14,896
Interest receivable		1,242	649
Interest payable		<u>(4,379)</u>	<u>(2,912)</u>
Profit on ordinary activities before taxation	2	16,179	12,633
Tax on profit on ordinary activities	3	<u>5,495</u>	<u>3,977</u>
Profit on ordinary activities after taxation		10,684	8,656
Dividend		<u>8,000</u>	<u>-</u>
Profit for the financial year	9	<u>£2,684</u>	<u>£8,656</u>

Movements on reserves are set out in note 9 on page 8.

The company has no recognised gains or losses other than the profit for the year.

The company's results derive from continuing activities.

Monnington Motors Limited

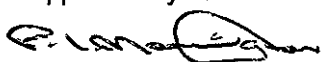
Balance Sheet

30 September 1996

	Notes	1996 £	1995 £
Fixed assets			
Tangible assets	4	<u>25,646</u>	<u>22,585</u>
Current assets			
Stocks	5	45,683	35,996
Debtors	6	29,162	26,237
Cash at bank and in hand		<u>21,073</u>	<u>27,777</u>
		95,918	90,010
Creditors - Amounts falling due within one year	7	<u>82,749</u>	<u>75,923</u>
Net current assets		<u>13,169</u>	<u>14,087</u>
Total assets less current liabilities		38,815	36,672
Creditors - Amounts falling due after more than one year	7	<u>8,004</u>	<u>8,545</u>
		<u>£30,811</u>	<u>£28,127</u>
Capital and reserves			
Called up share capital	8	100	100
Reserves	9	<u>30,711</u>	<u>28,027</u>
Shareholders' funds		<u>£30,811</u>	<u>£28,127</u>

Advantage is taken in the preparation of the financial statements of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. In the directors' opinion the company is entitled to those exemptions as a small company.

Approved by the Board on 20 January 1997 and signed on its behalf by:-

✓ 

P I Monnington

✓ Director

Monnington Motors Limited

Notes and Accounting Policies

Year Ended 30 September 1996

1 Accounting Policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied.

(a) **Turnover**

Turnover represents sales at invoice value less trade discounts allowed and excluding value added tax.

(b) **Tangible fixed assets and depreciation**

Tangible assets are depreciated by equal annual instalments over their estimated useful lives, at the following rates:-

Plant and machinery	20%
Fixtures, fittings and equipment	10%
Motor vehicles	25%
Leasehold improvements	Over the term of the lease
Tools	NIL

(c) **Leased assets**

Fixed assets hired under finance leases are capitalised and depreciated over the primary period of the lease which is also their expected useful life. The finance charges are allocated over the primary period of the lease on a straight line basis.

(d) **Stock**

Stock is stated at the lower of cost and net realisable value using the first in first out method.

(e) **Deferred taxation**

Provision is made for deferred tax, using the liability method, to the extent that it is probable that a liability will crystallise in the foreseeable future.

(f) **Pension costs**

Retirement benefits for certain directors are provided by money purchase schemes which are funded by contributions from the company. Contributions are charged against profits of the year in which they are paid.

2 Profit on Ordinary Activities Before Taxation

1996

£

1995

£

The profit on ordinary activities before taxation is after charging (crediting):-

Directors' emoluments	55,756	45,786
Auditors' remuneration	2,300	2,200
Depreciation of tangible fixed assets:-		
- owned	3,294	2,607
- held under finance lease	5,516	2,234
Operating lease rentals	17,619	17,627
Finance charges on finance leases	2,347	726
Pension contributions - money purchase scheme	10,280	8,880

Monnington Motors Limited

Notes and Accounting Policies

Year Ended 30 September 1996

3	Taxation	1996 £	1995 £
	The taxation charge based on the results for the year is made up as follows:-		
	UK corporation tax	5,495	3,997
	Overprovision in previous year	-	(20)
		<u>£5,495</u>	<u>£3,977</u>

4 Fixed Assets - Tangible

	Leasehold improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Tools £	Total £
Cost						
At 1 October 1995	6,404	66,480	8,710	3,270	2,065	86,929
Additions	2,049	7,860	1,962	-	-	11,871
Disposals	-	(6,446)	-	-	-	(6,446)
At 30 September 1996	<u>8,453</u>	<u>67,894</u>	<u>10,672</u>	<u>3,270</u>	<u>2,065</u>	<u>92,354</u>
Depreciation						
At 1 October 1995	3,524	52,271	5,663	2,886	-	64,344
Charge for year	1,643	6,372	602	193	-	8,810
Eliminated on disposals	-	(6,446)	-	-	-	(6,446)
At 30 September 1996	<u>5,167</u>	<u>52,197</u>	<u>6,265</u>	<u>3,079</u>	<u>-</u>	<u>66,708</u>
Net book amounts						
At 30 September 1995	<u>£2,880</u>	<u>£14,209</u>	<u>£3,047</u>	<u>£384</u>	<u>£2,065</u>	<u>£22,585</u>
At 30 September 1996	<u>£3,286</u>	<u>£15,697</u>	<u>£4,407</u>	<u>£191</u>	<u>£2,065</u>	<u>£25,646</u>

The net book amount of £25,646 includes the following amounts in respect of assets held under finance leases.

	Plant and Machinery
Cost	44,280
Depreciation	31,392
Net book amounts	<u>£12,888</u>

Monnington Motors Limited

Notes and Accounting Policies

Year Ended 30 September 1996

5 Stock	1996	1995
	£	£
Parts and consumables	<u>45,683</u>	<u>35,996</u>
6 Debtors	1996	1995
	£	£
Due within one year:-		
Trade debtors	22,791	17,269
Prepayments	6,371	7,614
Other	-	1,354
	<u>£29,162</u>	<u>£26,237</u>
7 Creditors		
Amounts falling due within one year:-		
Trade creditors	45,936	41,546
Corporation tax	3,495	3,997
Advance corporation tax	2,000	-
Other taxation and social security	10,497	15,673
Directors' current accounts	14,458	7,865
Finance lease obligations	4,426	4,805
Other	1,937	2,037
	<u>£82,749</u>	<u>£75,923</u>
Amounts falling due after more than one year:-		
Finance lease obligations	<u>£8,004</u>	<u>£8,545</u>

Security has been given by the company in respect of £12,430 (1995 - £13,350) of the above creditors.

8 Share Capital

There was no change in share capital during the year.

	Authorised	Allotted and
	£	fully paid
		£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Monnington Motors Limited

Notes and Accounting Policies

Year Ended 30 September 1996

9 Reconciliation of Movement in Shareholders' Funds

	Share capital	Profit and loss account	1996 £	1995 £
Profit for the financial year after tax	-	10,684	10,684	8,656
Dividends Paid	-	(8,000)	(8,000)	-
	-	2,684	2,684	8,656
Shareholders' funds at 1 October 1995	100	28,027	28,127	19,471
Shareholders' funds at 30 September 1996	100	30,711	30,811	28,127

10 Financial Commitments

Operating leases:-

At 30 September 1996, the company had annual commitments under non-cancellable operating leases that expire as follows:-

	1996 £	1995 £
Other		
Within five years	1,319	1,327
Land and buildings		
Within five years	16,300	16,300
	£17,619	£17,627